

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7495**

**BILL NUMBER:** SB 452

**NOTE PREPARED:** Feb 16, 2009

**BILL AMENDED:** Feb 10, 2009

**SUBJECT:** Kernan-Shepard Election Provisions.

**FIRST AUTHOR:** Sen. Lawson C

**FIRST SPONSOR:** Rep. Battles

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *End of Municipal Elections*- The bill moves elections of municipal officers to even-numbered years.

*Order of Offices on Ballot*- The bill places city offices on the primary and general election ballots before (rather than after) township offices.

*Public Employees Holding Elective Office*- The bill provides that an employee of a political subdivision is considered to have resigned from employment with the political subdivision if the employee assumes the elected executive office of the political subdivision or becomes an elected member of the political subdivision's legislative body. The bill provides that the restriction applies to an employee of a political subdivision who assumes an elected office after June 30, 2009. The bill provides that the restriction does not apply to an employee of a political subdivision who holds elective office on June 30, 2009, and continues to hold or be reelected to the office. The bill provides that the restriction does not prohibit an employee of a political subdivision from holding an elected office of a political subdivision other than the political subdivision that employs the government employee.

*Vote Centers*- The bill establishes the use of vote centers as an option for all counties. The bill requires the county election board (CEB) to adopt an order designating a county a vote center county (VCC), adopt a plan to administer the vote centers, and file the order and the plan with the Election Division (ED). The bill requires the CEB to accept and consider public comment before adopting an order designating the county as a VCC. The bill provides that designation of a county as a VCC remains in effect until the CEB rescinds the order designating the county as a VCC and files a copy of the rescission with the ED. The bill redesignates automatically as a VCC a county previously designated a vote center pilot county.

*Electronic Poll Lists-* The bill provides that an electronic poll list must be programmed so that access to the list requires the coordinated action of two precinct election officials who are not members of the same political party. The bill allows an electronic poll list used at a vote center to include an electronic image of the voter's signature, if available.

*Vote Center Report of Vote Total-* The bill authorizes a precinct election board administering an election at a vote center to report the vote totals by precinct on election night.

*School Board Elected at General Election-* The bill provides that school board members selected by election must be elected at general elections beginning in 2010.

*Clerk-Treasurer Training-* The bill requires a city clerk-treasurer in a third class city, who is the fiscal officer of the city, to attend training provided by the state board of accounts concerning a fiscal officer's duties and responsibilities.

*Repealers-* The bill repeals the expiration date of the vote center program and provisions that: (1) require the Secretary of State's approval of the vote center designation; and (2) allow the Secretary of State to revoke the vote center designation. The bill repeals other obsolete and superseded statutes.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *End of Municipal Elections-* The Election Commission (EC) would have authority to set rules for the drawing of precincts in municipalities that share incorporated areas between multiple counties. The EC would be able to incorporate precinct boundaries during regularly scheduled business meetings.

*Vote Centers-* The Election Division (ED) would have to file the paperwork for new permanent vote centers adopted by a CEB. The ED's existing level of resources would be able to carry out this provision.

(Revised) *Clerk-Treasurer Training-* The State Board of Accounts (SBA) would be able to conduct the required training within existing resources, as the SBA has conducted the training on a voluntary basis to city clerk-treasurers for several years.

**Background-** The Election Commission reverted approximately \$80,300 to the General Fund at the end of FY 2008. The Indiana Election Division reverted \$23,000 to the General Fund at the end of FY 2008.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *End of Municipal Elections-* There would be a cost savings to municipalities under this provision. Counties running municipal elections would save on election expenses with the elimination of municipal elections.

The bill provides that the municipal election of 2011 would be the last odd-year election. Municipal offices would be elected in even-numbered years after December 31, 2011. Successors to certain municipal office holders that would be elected in 2011 would be elected in 2014 at the earliest. Municipal judges elected in 2011 would run for reelection at the 2016 general election.

*County Option-* The bill would allow a legislative body to elect 50% of the legislative body during

Presidential election years. An ordinance of this nature would have to be adopted in the year immediately preceding a non-Presidential election year.

**Multiple-County Municipalities-** For municipalities that have incorporated areas in more than one county, the county containing the greatest percentage of the municipality's residents would be required to establish the precincts in the municipality, supply those precincts with poll lists, and perform all other duties under election code as if the residents of the municipality from outside the county were residents of the county. Presumably, the savings from the cancellation of odd-year elections would be shifted to cover any expenditures that would occur under this provision.

(Revised) *School Board Elected at General Election-* School board governing body members would be elected at general elections beginning with the 2010 general election. There would be minor cost adjustments from primary to general election budgets, primarily for ballot costs, in counties with primary-elected school boards.

(Revised) *Clerk-Treasurer Training-* Third class cities whose clerk-treasurers currently do not attend SBA training could realize a minor increase in travel expenses for their clerk-treasurer's attendance.

*Vote Centers-* The establishment of vote centers could reduce the expenditures needed to conduct an election, including payment of fewer poll workers and printing of poll books. However, start-up expenses such as the establishment of an electronic poll book database could offset some of the potential savings. The impact on local expenditures would depend on the adoption of ordinances by CEBs (under unanimous approval) and resolutions of approval by both the county executive and county fiscal body.

(Revised) *Electronic Poll Lists-* This provision could reduce time and expenditure of election officials by allowing the option to place electronic signatures into electronic poll lists.

*Background-* Election Expenses- Expenses to run an election include: precinct election board per diem, rental of a facility for polling (if necessary), and/or voting equipment (if necessary.) Based on a small sample of Indiana counties, per diem for election board members range from \$65 to \$150 for inspectors and from \$40 to \$100 for judges, clerks, and sheriffs.

**Elected School Boards-** The Department of Education reports for school year 2008, 201 school boards are elected at primary and 76 are elected at general elections.

**Number of Second Class Cities-** There are 18 municipalities that are classified second class cities. Based on the most recently available U.S. Census population estimates, there are approximately seven municipalities that are eligible for second class status in Indiana.

**Vote Centers-** Reduction of local expenditures would depend largely on requiring one vote center per 10,000 active voters (in counties with 25,000 or more active voters). The following table depicts the number of precincts vs. the potential number of vote centers statewide (if all counties established vote centers at a one-to-10,000 ratio).

Active Voters (as of 11/25/2008)	Minimum Vote Centers (1 per 10,000 voters)	Inactive Voters (as of 4/30/2008)	Number of Active Precincts (as of 5/6/2008)	2008 General Election Registered Voters	2008 Primary Election Actual Voters Voting
4,514,759	451	406,144	5,346	4,514,759	2,805,986

Assuming the number of precincts coincides with the number of polling places would overstate the impact. (Some precincts are housed together in the same polling place and rely on the same voting equipment.) There would be an overall reduction in the number of polling places if every county maintained one vote center per at least 841 active voters. Each precinct is required to maintain a separate precinct election board (PEB). Assuming a ratio of one center per 10,000 voters was generally followed, hundreds of PEBs would be eliminated by vote centers. Any actual savings would vary by county, as many paid PEB positions go vacant due to shortage of poll workers, or already have been eliminated by various CEBs as unnecessary.

**Explanation of Local Revenues:**

**State Agencies Affected:** Election Commission, Election Division.

**Local Agencies Affected:** Counties that run municipal elections, municipalities; county election boards, school corporations, legislative bodies of second class cities.

**Information Sources:** U.S. Bureau of Census, Department of Education, [www.in.gov/sos/elections/](http://www.in.gov/sos/elections/); Indiana State Budget Agency: *General and Rainy Day Fund Summaries, June 30, 2008*.

**Fiscal Analyst:** Chris Baker, 317-232-9851.